

Gaming Partners International CORP
Form DEF 14A
April 11, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
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GAMING PARTNERS INTERNATIONAL CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

April 11, 2005

To the Stockholders of Gaming Partners International Corporation:

You are cordially invited to attend the 2005 Annual Meeting of Stockholders. Regardless of whether you plan to attend, please take a moment to vote your proxy. The Annual Meeting will be held as follows:

WHEN: Tuesday, May 10, 2005
9:00 a.m., Pacific time

WHERE: Gaming Partners International Corporation
Corporate Headquarters
1700 South Industrial Road
Las Vegas, Nevada

ITEMS OF BUSINESS:

- Elect seven directors for terms expiring in 2006.

- Consider any other matters that may properly come before the Annual Meeting.

RECORD DATE: March 24, 2005.

VOTING BY PROXY: *Your vote is important.* You may vote by returning the proxy card in the envelope provided.

On the following pages, we provide answers to frequently asked questions about the Annual Meeting. A copy of the 2004 Annual Report on Form 10-K is enclosed.

By Order of the Board of Directors,

Gérard P. Charlier
*President, Chief Executive Officer
and Secretary*

GAMING PARTNERS INTERNATIONAL CORPORATION

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GAMING PARTNERS INTERNATIONAL CORPORATION

**1700 S. Industrial Road
Las Vegas, Nevada 89102**

PROXY STATEMENT

This proxy statement is being furnished to our stockholders beginning on or about April 11, 2005, in connection with the solicitation of proxies by the Gaming Partners International Corporation Board of Directors to be used at the Annual Meeting of Stockholders on May 10, 2005, or the Annual Meeting, at our corporate headquarters located at 1700 South Industrial Road, Las Vegas, Nevada, and at all adjournments or postponements of the Annual Meeting for the purposes listed in the preceding Notice of Annual Meeting of Stockholders.

QUESTIONS AND ANSWERS ABOUT THE MEETING

What am I voting on?

The election of seven nominees to serve on our board of directors for terms expiring in 2006.

We are not aware of any other matters that will be voted on. If a matter does properly come before the Annual Meeting, the persons named as the proxies in the accompanying form of proxy will vote the proxy as our board recommends.

What are the board's voting recommendations?

Our board of directors recommends a vote **FOR** each of the seven nominated directors.

What is the vote required for the proposal?

The seven individuals receiving the largest number of votes will be elected as directors.

Who can vote?

Common stockholders as of the close of business on the record date, March 24, 2005, can vote. Each outstanding share of our common stock is entitled to one vote upon the proposal presented. A list of stockholders entitled to vote will be available for inspection by any stockholder at our corporate headquarters at 1700 South Industrial Road, Las Vegas, Nevada prior to or at the Annual Meeting.

How do I vote?

There are two ways to vote:

- By completing and mailing the enclosed proxy card.
- By written ballot at the Annual Meeting.

If you are a beneficial owner and your broker holds your shares in its name, the broker is permitted to vote your shares on the election of directors even if the broker does not receive voting instructions from you.

If your shares are held in the name of a broker, bank or other holder of record, you are invited to attend the Annual Meeting, but may not vote at the Annual Meeting unless you have first obtained a proxy, executed in the stockholders' favor, from the holder of record.

What does it mean if I get more than one proxy?

It means your shares are held in more than one account. Please vote all proxies to ensure all your shares are counted.

What constitutes a quorum?

As of the record date, March 24, 2005, there were 7,809,400 shares of our common stock outstanding. In order to conduct the Annual Meeting, a majority of the outstanding shares entitled to vote must be represented in person or by proxy. This is known as a quorum. Abstentions and shares, which are the subject of broker non-votes, will count toward establishing a quorum.

Can I change my vote?

You can change your vote or revoke your proxy at any time prior to the closing of the polls, by:

- returning a later-dated proxy card; or
- notifying our Corporate Secretary by written revocation letter.

Our Corporate Secretary is Gérard P. Charlier. Any revocation should be filed with him at our corporate headquarters at 1700 South Industrial Road, Las Vegas, Nevada, 89102.

Attendance at the Annual Meeting will not in itself constitute revocation of a proxy. All shares entitled to vote and represented by properly completed proxies timely received and not revoked will be voted as you direct. If no direction is given, the proxies will be voted as our board recommends.

Who conducts the proxy solicitation?

Our board of directors is soliciting these proxies. We will bear the cost of the solicitation of proxies. Our regular employees may solicit proxies by mail, by telephone, personally or by other communications, without compensation apart from their normal salaries.

Who will count the votes?

Our board of directors will appoint one or more employees to serve as an Inspector of Election(s) to tabulate the voted proxies.

PROPOSAL ELECTION OF DIRECTORS

The current term of office of all of our directors expires at the 2005 Annual Meeting. Our board of directors has proposed the re-election of each current member of the board for a one-year term expiring at the 2006 Annual Meeting of Stockholders and until their respective successors have been duly elected and qualified. Directors will be elected by a plurality of the votes cast by the shares entitled to vote, as long as a quorum is present. Plurality means that the individuals who receive the largest number of votes are elected as directors up to the maximum number of directors to be chosen. Therefore, shares not voted, whether by withheld authority or otherwise, have no effect in the election of directors.

Each nominee has consented to being nominated and to serve if elected. In the unlikely event that any nominee becomes unable to serve for any reason, the proxies will be voted for a substitute nominee selected by our board of directors.

Upon completion of the combination with Bourgogne et Grasset, or B&G, on September 12, 2002, Holding Wilson S.A. and the late Francois Carretté (succeeded by his wife, Elisabeth Carretté) agreed to vote all shares of our common stock held by them in favor of the election of Eric P. Endy to the board of directors for a period of five years from the completion of the combination and executed an irrevocable proxy in favor of Mr. Endy. Likewise, Mr. Endy agreed to vote all shares of our common stock beneficially owned by him in the manner directed by Holding Wilson S.A. with respect to the election or removal of directors during the same five-year period and executed an irrevocable proxy in favor of Holding Wilson S.A. Both Holding Wilson S.A. and Mr. Endy have indicated that they intend to vote their shares in favor of all seven director nominees at the Annual Meeting. Therefore, we expect all seven director nominees to be elected at the Annual Meeting.

Nominees for Election of Directors

Elisabeth Carretté, 60, was appointed to the GPIC board, effective January 27, 2005, to fill the vacancy left on the board by the death of her husband and former GPIC chairman, Francois Carretté in December 2004. Mrs. Carretté was appointed as Mr. Carretté's replacement as the president of the supervisory board of Holding Wilson, S.A., a privately-held French company that through its affiliates engages in consulting and food distribution. Holding Wilson, S.A. is the principal shareholder of GPIC. Over more than two decades, Mrs. Carretté has served on both the executive and supervisory boards of Holding Wilson, S.A. and helped define the strategy of the group.

Gérard P. Charlier, 66, has been a director and our President, Chief Executive Officer and Secretary since September 2002. Mr. Charlier has been President and Chief Executive Officer of GPI-SAS since 1994 and President and Chief Executive Officer of the former Bud Jones Company from 2000 to 2002, when it merged into Gaming Partners International USA, Inc. Mr. Charlier worked from 1965 to 1968 for Cincinnati Milling Machine in Cincinnati, Ohio. Mr. Charlier worked for Booz Allen & Hamilton in London and Paris in 1968 and 1969. He then joined Peat Marwick Mitchell Management Consulting (now KPMG) in Paris in 1969 where he became Partner in 1975 and acted as Partner in Charge of the German Management Consulting Department from 1978 to 1982. From 1982 to 1985, Mr. Charlier served as Vice President of International Development of Dexi International, a French company specializing in the manufacture of cosmetic products distributed by party plans. From 1985 to 1988 and again from 1991 to 1994, Mr. Charlier was an independent management consultant for G.C. Management, a firm that he owned. Between 1988 and 1991, Mr. Charlier served as the General Manager in France of Arthur D. Little, a management consulting firm based in Cambridge, Massachusetts. Mr. Charlier holds a Mechanical Engineering Degree from Ecole Nationale d'Arts et Metiers in Paris (1962), a M.S. in Electrical Engineering from Stanford University, California (1963) and a MBA from INSEAD in Fontainebleau, France (1968).

Benoit Aucouturier, 58, has been a director since December 2002. Mr. Aucouturier has served as General Manager and Director of Campagne d Arbitrage Financier et Foncier, a family investment company with investments in various sectors, including the hotel industry and tourism, the gaming industry, fashion and real estate, since 1992.

Mr. Aucouturier started his career with Caisse Centrale des Banques Populaires as Finance Director Deputy. He then joined the Credit Commercial de France as Director responsible for French securities. In 1988, Mr. Aucouturier joined Societe de Banque et de Transactions where he served as General Manager. He left that company at the end of 1992 to join and develop his family investment fund. Mr. Aucouturier also serves as a director of Societe de Tourisme International, Croise-Laroche, Gulmar Offshore Contractor, Financiere Saint-Nicolas and Party Pris. Mr. Aucouturier holds degrees in private law, property and agricultural law and in business administration from the Universities of Paris and Poitiers.

Paul S. Dennis, 67, has been a director since October 2000. Since 1977, Mr. Dennis has been President and Chief Executive Officer of Associated Health Care Management Company, Inc., in Cleveland, Ohio, which manages congregate living facilities. Mr. Dennis also has served as a director and officer with various companies and business ventures in the hardware distribution, pharmaceuticals distribution and steel fabrication industries and real estate investor. Mr. Dennis was an investor in, and for certain periods from 1997 to 2003 was a director and officer of, Las Vegas Care Centers, Inc., a nursing home facility in Las Vegas, Nevada. At the request of the bank, a receiver was appointed in 2001 to oversee the sale and disposition of Las Vegas Care Centers, Inc.'s assets. Mr. Dennis was previously licensed as a nursing home administrator's license from the states of Ohio and Nevada and was a member of the American College of Health Care Administrators.

Eric P. Endy, 50, has been a director since our inception in 1993. Mr. Endy was our Executive Vice President from September 2002 to March 2003, and presently serves as a consultant to us. He served as our Secretary from May 1984 to March 2003, Chairman of the Board and Chief Executive Officer from November 1998 to September 2002, President from January 1994 to September 2002 and Treasurer from July 2001 to September 2002. From May 1998 to July 1998, Mr. Endy was our Treasurer and from January 1994 to July 1995, Mr. Endy was our Chief Operating Officer. Mr. Endy was Chairman of the Board, President and Chief Executive Officer of the former Paul-Son Gaming Supplies from November 1998 to September 2002, and Executive Vice President and General Manager of the former Paul-Son Gaming Supplies from July 1990 to November 1998.

Alain Thieffry, 49, has been a director since September 2002. Mr. Thieffry has served as President of the Executive Board of Holding Wilson S.A. since February 2002. He has been an executive officer of Holding Wilson S.A. since 1984. Since 1995, Mr. Thieffry has also served as Chief Executive Officer of Bridge Atlantic Corporation and DeRoche, S.A., wholly owned subsidiaries of Holding Wilson S.A., and of LFR, Inc., a wholly-owned subsidiary of Bridge Atlantic Corporation. Mr. Thieffry holds a masters in law and business administration and a CPA license in France.

Jerry G. West, 62, has been a director since April 1994. Mr. West formerly held a private investigator license in the state of Nevada until 2004. From 1969 until his retirement in 1993, Mr. West was a special agent with the United States Federal Bureau of Investigation.

Board of Directors and Committees of the Board

Our business affairs are conducted under the direction of our board of directors. The role of our board of directors is to effectively govern our affairs for the benefit of our stockholders and, to the extent appropriate under governing law, of other constituencies, which include our employees, customers, suppliers and creditors. Our board strives to ensure the success and continuity of our business through the selection of a qualified management team. It is also responsible for ensuring that our activities are conducted in a responsible ethical manner.

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The framework for our corporate governance is provided by: (a) Nevada corporate law, (b) our articles of incorporation and our bylaws, (c) charters of our board committees and (d) our codes of ethics and conduct. In addition, we are governed by all applicable laws, rules and regulations, including the gaming laws and rules of every jurisdiction in which we or our products are licensed, the federal securities laws and the rules of the Securities and Exchange Commission, or the SEC, and the listing requirements and rules of the Nasdaq Stock Market where our common stock is listed.

During fiscal 2004, our board of directors held four regular meetings, two special meetings and acted by unanimous consent on one other occasion. Other than Francois Carretté (who died in December 2004), each director attended at least 75% of the board meetings and committee meetings during the period he/she served as a member. Our non-management directors did not meet during fiscal 2004. We encourage our directors to attend our annual meetings of stockholders. All but three of our directors attended our 2004 annual meeting of stockholders.

Our board of directors has determined that we are no longer a controlled company as defined in the rules of the Nasdaq Stock Market. As a result of options exercised at the end of 2004, Mrs. Carretté's beneficial ownership was diluted to less than 50% of our voting power on or about December 16, 2004. According to the rules of the Nasdaq Stock Market, we ceased to be a controlled company and we are permitted to phase-in an independent board by December 4, 2005. We currently have majority independent nomination and compensation committees. Assuming that we do not then qualify for an exemption, we plan to take action as necessary to comply with the rule by December 16, 2005.

Our board of directors has five standing committees: the Audit Committee, the Compensation Committee, the Compliance Committee, the Nominating and Governance Committee and the Directors' Plan Committee. The charters for our Audit and Nominating and Governance Committee, as well as of our Code of Ethics and Code of Conduct, are available on our website at www.gpigaming.com. These documents are also available in print to any stockholder upon request. We may revise these policies from time to time and will promptly post revisions on our website. No formal written policy has been adopted for our Compensation, Compliance or Directors' Plan Committees.

The **Audit Committee**, a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, assists our board of directors in overseeing the accounting and financial reporting processes of GPIC and audits of our financial statements, including the integrity of our financial statements, compliance with legal and regulatory requirements, our independent public accountants' qualifications and independence, the performance of our internal audit function and independent public accountants, and such other duties as may be directed by our board of directors. The Audit Committee Charter requires that the Audit Committee consist of three or more board members who satisfy the independence requirements of the SEC and NASDAQ for audit committee members. The Audit Committee consists of Messrs. Aucouturier, Dennis and West, each of whom satisfies these requirements. The Audit Committee held four meetings and four teleconferences for final approval of Form 10-Q and the annual report on Form 10-K during fiscal 2004. A copy of the report of the Audit Committee is contained in this proxy statement. While the board of directors endorses the effectiveness of our Audit Committee, no member of the Audit Committee meets the definition of an audit committee financial expert as set forth in Item 401(h)(2) of the SEC Regulation S-K. Our board of directors believes that each member of the Audit Committee is able to read and understand financial statements, and that two of the members have past employment experience or backgrounds which results in their financial sophistication.

The **Compensation Committee** discharges the responsibilities of our board of directors relating to compensation of GPIC's executives and directors. The Compensation Committee produces an annual report on executive compensation for inclusion in our proxy statements, and takes such other actions as it deems necessary or appropriate to oversee the compensation of our officers and directors. However, no formal compensation policy has been formalized. The Compensation Committee also administers our 1994

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Long-Term Incentive Plan (or the Incentive Plan). The Incentive Plan expired on January 30, 2004, except as to the stock options outstanding on that date. The Compensation Committee consists of Messrs. Dennis, Thieffry and West. During fiscal 2004, this Committee held one regular meeting. A copy of the report of the Compensation Committee is contained in this proxy statement.

The **Compliance Committee** is responsible for identifying and evaluating any situations involving us or our affiliates, which may have a negative effect upon the objectives of gaming control. The Compliance Committee consists of Messrs. Charlier and West and Ms. Laura McAllister Cox, our Chief Legal and Gaming Compliance Officer. The Compliance Committee held nine meetings during fiscal 2004. The Compliance Committee reports to our board of directors and advises our board of directors of activities that might be inappropriate, after investigation. Among other things, our Chief Legal and Gaming Compliance Officer determines that all transactions involving gaming supplies and gaming equipment are with appropriately licensed casinos, distributors and vendors and reports to the committee regarding material litigation, material loans or extensions of credit, transactions meeting certain thresholds, and material loans made by us or our affiliates other than for our or the affiliate s benefits. Additionally, the committee requires that appropriate background checks be conducted of several categories of persons, including, but not limited to, stockholders holding a 5% or more beneficial ownership interest, officers, directors, lenders, vendors, customers, partners, joint ventures and lobbyists. The committee reviews political contributions as to compliance with law, annually reviews the list of our stockholders, and requires review of foreign entities with which we do business.

The **Nominating and Governance Committee**, which consists of Messrs. Aucouturier, Dennis, and West, is responsible for identifying qualified candidates to be presented to our board for nomination as directors, select, or recommend that the Board select, director nominees for the next annual meeting of stockholders, and assisting our board in carrying out its responsibilities relating to our corporate governance practices. Our Nominating and Governance Committee did not meet in fiscal 2004.

The Nominating and Governance Committee will consider nominees for our board of directors recommended by stockholders. Notice of proposed stockholder nominations for directors must be delivered not less than 120 days prior to the first anniversary of the date of the prior year's annual meeting of stockholders. Nominations shall set forth (i) the name and address of the stockholder proposing to make the nomination, (ii) the number of shares of stock held of record and beneficially by such stockholder, (iii) a representation that the stockholder is a beneficial or record owner of our stock entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such nomination, (iv) the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected, (v) a brief description of the proposed nominee s business experience for the previous five years and all other information regarding such proposed nominee that would be required to be set forth in a definitive proxy statement filed with the Securities and Exchange Commission pursuant to Section 14 of the Securities Exchange Act of 1934, or the Exchange Act, and (v) all other information that would be required to be filed with the Securities and Exchange Commission if the person proposing such nomination were a participant in a solicitation subject to Section 14 of the Exchange Act. Nominations should be delivered to the Nominating and Governance Committee at the following address:

Gaming Partners International Corporation
c/o Corporate Secretary
1700 South Industrial Road
Las Vegas, Nevada 89102

In considering possible candidates for election as a director, the Nominating and Governance Committee will consider such factors as business experiences, diversity, personal skills in technology, finance, marketing, international business, financial reporting and other areas that are expected to contribute to an effective board of directors, as well as any contractual obligations relating to the election of directors such as the irrevocable proxies between Holding Wilson, S.A. and Eric P. Endy.

The Nominating and Governance Committee will review the qualifications and backgrounds of directors and nominees, as well as the overall composition of the board, and recommend the slate of directors to be nominated for election at the annual meeting of stockholders. We do not currently employ or pay a fee to any third party to identify or evaluate, or assist in identifying or evaluating, potential director nominees.

You can contact our board of directors or any of our directors by writing to them at the same address provided above for delivery of director nominations. At each Audit Committee meeting, the Corporate Secretary will present a summary of stockholder communications received since the last meeting, and will make the communications available to the applicable director or committee upon request. Employees and others who wish to contact the board of directors or any member of the Audit Committee anonymously to report complaints or concerns with respect to accounting, internal accounting controls or auditing matters, may do so anonymously by using this address. All communications are confidential.

The **Directors Plan Committee** administers the 1994 Directors Stock Option Plan, or the Directors Plan, but it has no discretion to determine or vary any matters, which are fixed under the terms of the plan. Fixed matters include, but are not limited to, the non-employee directors who will receive stock option grants, the number of shares of common stock subject to each grant, the term of any stock option, and the means of acceptable payment for exercise of the stock option. All decisions of the Directors Plan Committee are subject to approval by our board of directors. The Directors Plan Committee consists of Gérard P. Charlier and Eric P. Endy. The Directors Plan Committee did not meet during fiscal 2004.

We have adopted the **Code of Ethics**, which applies to our Chief Executive Officer, Chief Financial Officer and Corporate Controller, and a **Code of Conduct**, which applies to all of our directors and employees. If we make any amendments to the Code of Ethics or the Code of Conduct or grant any waiver, including any implicit waiver, from a provision of the codes to our directors or executive officers, we will disclose the nature of such amendment or waiver on our website at www.gpigaming.com.

Compensation of Directors

Commencing in 2005, directors who are not employees or consultants will receive an annual fee of \$18,000, plus \$1,400 for attending in person (or \$750 for participating by telephone) each board of directors meeting and each audit committee meeting, and \$500 for attending each other committee meeting. Each director may be reimbursed for certain expenses incurred in connection with attendance at board of directors and committee meetings.

Each non-employee director also receives non-qualified stock options, subject to vesting over a three-year period, to purchase 6,000 shares of common stock upon his commencement as a member of the board of directors at an exercise price equal to the closing price of the common stock on the date of grant. Additionally, on the third anniversary of the commencement date, and every year thereafter, each non-employee director receives non-qualified stock options to purchase 2,000 shares of common stock at an exercise price equal to the closing price of the common stock on the date of grant. In addition, each non-employee director receives non-qualified stock options to purchase 1,500 shares of common stock for serving on the Audit Committee, the Compliance Committee or the Compensation Committee for at least six months during the twelve months prior to the date of grant.

Our non-employee directors who are currently eligible to participate in the Directors Plan are Benoit Aucouturier, Elisabeth Carretté, Paul S. Dennis, Alain Thieffry and Jerry G. West. Directors who are also executive officers or consultants do not receive any fees or additional remuneration to serve on our board or its committees.

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During fiscal 2004, non-qualified stock options to purchase 1,500, 3,000, 1,500 and 6,500 shares of our common stock at an exercise price of \$9.85, \$18.85, \$4.71 and \$4.18 were granted to Messrs. Aucouturier Dennis, Thieffry and West, respectively, under the Directors Plan. The directors realize value from their stock options only when exercised, and only to the extent that the price of our common stock on the exercise date exceeds the price of our common stock on the grant date.

Compensation Committee Interlocks and Insider Participation

No Member of the Compensation Committee has ever been an officer or employee of GPIC or its subsidiaries. None of our executive officers serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or Compensation Committee.

Recommendation of Our Board of Directors

Our board of directors recommends that you vote FOR all the director nominees.

OTHER INFORMATION

Executive Officers

The following table sets forth the name, age, and current office of our executive officers. Following the table are descriptions of all positions held by each individual and the business experience of each individual for at least the past five years.

| Name | Age | Title |
|------------------------|-----|---|
| Melody Sullivan Yowell | 48 | Chief Financial Officer |
| Laura McAllister Cox | 45 | Chief Legal and Gaming Compliance Officer |

Melody Sullivan Yowell, a Certified Management Accountant (CMA), has been our Chief Financial Officer since December 2002. From 2000 to 2002, Ms. Sullivan served as the Corporate Controller of Serrot International, Inc., a manufacturer and wholly-owned subsidiary of Waste Management Inc. From 1998 to 2000, Ms. Sullivan was the Vice President and Chief Accounting Officer of Saxton Inc., Las Vegas, Nevada, and a real estate development firm. Prior to this, Ms. Sullivan Yowell's work experience included 11 years in the banking industry. Ms. Sullivan Yowell holds a Bachelor of Science degree in Accounting from the University of Arkansas.

Laura McAllister Cox, an attorney at law licensed to practice in New Jersey and Pennsylvania, has been our Chief Legal and Gaming Compliance Officer since December 2003. Previously, Ms. McAllister Cox was an attorney for 16 years with the Atlantic City law firm of Cooper Levenson April Niedelman & Wagenheim, P.A. and became a partner of the firm in 1996. A member of the Cooper Levenson Casino Law Department, Ms. McAllister Cox represented casino operators, gaming manufacturers and distributors, and casino employees in all aspects of regulatory, licensing and litigation matters. As part of her practice, Ms. McAllister Cox handled gaming regulatory matters for GPI-SAS since 1997, for the former Bud Jones Company since 2000 and for GPIC since 2002. Ms. McAllister Cox holds a Bachelor of Arts degree in Urban Studies from the University of Tennessee (1980) and a Juris Doctorate from Rutgers University School of Law (1987).

Equity Security Ownership of Management and Other Beneficial Owners

The following table sets forth information as of April 12, 2005 (except where another date is indicated) with respect to the beneficial ownership of our common stock by persons known to us to own beneficially more than 5% of our common stock, each of our directors, our executive officers named in the Summary Compensation Table, and all of our executive officers and directors as a group. We have no other class of equity securities outstanding. There are no family relationships between any of our directors, director nominees or executive officers.

| Name of Beneficial Owner | Ownership | Options Exercisable within 60 Days | Beneficial Ownership(1) | Percent of Class(2) |
|---|-----------|------------------------------------|-------------------------|---------------------|
| Elisabeth Carretté | 3,892,822 | 4,000 | 3,896,822 (3)(4) | 49.87 % |
| Eric P. Endy | 665,934 | 47,000 | 712,934 (5) | 9.07 % |
| Benoît Aucouturier | 220,402 | 7,000 | 227,402 (6) | 2.91 % |
| Gérard P. Charlier | 556,535 | | 556,535 (7)(4) | 7.13 % |
| Paul S. Dennis | | 3,000 | 3,000 | * |
| Alain Thieffry | | 7,000 | 7,000 (8) | * |
| Jerry G. West | | 50,500 | 50,500 | * |
| Melody Sullivan Yowell | | | | * |
| Laura McAllister Cox | | | | * |
| Magnet Fund, L.P. | 582,000 | | 582,000 (9) | 7.45 % |
| Magnet Management, L.L.C. | | | | |
| Jordan Kimmel | | | | |
| 1201 Sussex Turnpike | | | | |
| Suite 202 | | | | |
| Randolph, New Jersey 07869 | | | | |
| All executive officers and directors as a group (9 persons) | 5,335,693 | 118,500 | 5,454,193 | 68.80 % |

* Less than 1%

(1) Represents sum of shares owned and shares which may be purchased upon exercise of options or warrants exercisable within 60 days of March 14, 2005.

(2) Any securities not outstanding which are subject to options, warrants or conversion privileges exercisable within 60 days of March 14, 2005 are deemed outstanding for the purpose of computing the percentage of outstanding securities of the class owned by any person holding such securities but are not deemed outstanding for the purpose of computing the percentage of the class owned by any other person. Unless otherwise noted, the persons identified in this table have sole voting and investment power with regard to the shares beneficially owned.

(3) As a result of Mr. Carretté death, Elisabeth Carretté has inherited or will inherit upon settlement of his estate, a life estate in all the shares of the Company's common stock previously owned by Mr. Carretté, including shares of Holding Wilson S.A. The aggregate of 3,896,822 shares is currently beneficially owned by Mrs. Carretté as described above and includes (i) 3,876,736 shares held by Holding Wilson S.A. and (ii) 15,743 shares held by the estate of Mr. Carretté. Does not include antidilution warrants to purchase an aggregate of 215,325 shares, of which warrants to purchase 1,595 shares are currently exercisable. Does not include 712,934 shares beneficially owned by Mr. Endy, which Holding Wilson, S.A. has the right to vote for the election or removal of directors pursuant to a five-year irrevocable proxy dated September 12, 2002. Mrs. Carretté and Holding Wilson S.A. also has a right of first refusal to purchase any shares that Eric Endy or The Paul S. Endy Jr. Living Trust decide to sell. Mrs. Carretté disclaims beneficial ownership of the shares beneficially owned by Mr. Endy.

(4) Does not include an option held by Mr. Charlier to sell to Holding Wilson, S.A. his shares of the Company's common stock if his employment is terminated voluntarily by Mr. Charlier or by the Company other than for death, permanent disability or cause (as defined in his employment agreement). Mrs. Carretté disclaims beneficial ownership of the shares beneficially owned by Mr. Charlier.

(5) Includes (i) 577,579 shares held by The Paul S. Endy, Jr. Living Trust, of which Eric P. Endy is the sole trustee and beneficiary, (ii) 18,000 shares held by trusts established for the benefit of Mr. Endy's family, and (iii) 6,000 shares held by his spouse. Does not include 3,896,822 shares beneficially owned by Elisabeth Carretté, which Mr. Endy has the right to vote for his election as a director pursuant to a five-year irrevocable proxy dated September 12, 2002. Mr. Endy disclaims beneficial ownership of shares beneficially owned by Mrs. Carretté.

(6) Includes 220,059 shares that are held by Campagnie d Arbitrage; Financier et Foncier, a family investment company. Does not include additional antidilution warrants to purchase an aggregate of 12,239 shares, of which warrants to purchase 91 shares are currently exercisable.

(7) Includes 687 shares held by Mr. Charlier's spouse. Does not include antidilution warrants to purchase an aggregate of 30,903 shares of which warrants to purchase 229 shares are currently exercisable. Does not include options to purchase 300,000 shares granted pursuant to the 1994 Long-Term Incentive Plan, none of which are currently exercisable.

(8) Does not include 3,876,736 shares held by Holding Wilson, S.A., of which Mr. Thieffry is the President of the Executive Board. Mr. Thieffry disclaims beneficial ownership of all shares held by Holding Wilson, S.A.

(9) Based on written confirmation from Mr. Kimmel as of April 6, 2005.

Executive Compensation

Summary Compensation Table

The following tables summarize all compensation paid for fiscal years 2004, 2003 and 2002 to Gérard P. Charlier, our Chief Executive Officer, President and Secretary, to Melody Sullivan Yowell, our Chief Financial Officer, and to Laura McAllister Cox, our Chief Legal and Gaming Compliance Officer.

| Name and Principal Position | Fiscal Year | Annual Compensation | | Other Annual Compensation (\$) | Long-Term Compensation Securities Underlying Options (#) | All Other Compensation \$(4) |
|--|----------------|---------------------|------------|-----------------------------------|--|---------------------------------|
| | | Salary (\$) | Bonus (\$) | | | |
| Gérard P. Charlier(1) Chief Executive Officer, President and Secretary | 2004 | 298,000 | | | | 44,000 |
| | 2003 | 229,426 | | | | 19,692 |
| | 2002 | 108,037 | 43,215 | | 300,000 | 1,556 |
| Melody Sullivan Yowell(2) Chief Financial Officer | 2004 | 160,000 | | | | 1,292 |
| | 2003 | 130,214 | | | | |
| Laura McAllister Cox(3) Chief Legal and Gaming Compliance Officer | 2004 | 175,000 | | | | |
| | 2003 | 10,096 | | | | |

(1) Gérard Charlier was appointed as our Chief Executive Officer, President and Secretary in September 2002. The amounts in this table represent the compensation paid to Mr. Charlier by our subsidiaries and us after September 12, 2002, the effective date of the Combination with B&G, and also include any compensation paid to Mr. Charlier by B&G and Bud Jones prior to that date. See also GPI-SAS Pension Plan Table.

(2) Melody Sullivan Yowell was hired in December 2002 at an annual salary of \$125,000, which was increased to \$140,000 in September 2003, \$160,000 as of January 1, 2004, and \$170,000 as of January 1, 2005. Commencing January 1, 2005, Ms. Sullivan Yowell received an automobile allowance of \$500 per month.

(3) Laura McAllister Cox was hired in December 2003 at an annual salary of \$175,000, which was increased to \$185,000 as of January 1, 2005. Commencing January 1, 2005, Ms. McAllister Cox received an automobile allowance of \$500 per month.

(4) All Other Compensation for 2004 for Mr. Charlier includes housing in the amount of \$26,000, tax preparation expenses in the amount of \$11,000, automobile expense in the amount of \$4,000, and medical expense in the amount of \$3,000. All Other Compensation for 2004 for Ms. Sullivan Yowell includes the Company's matching contributions for the Company's 401(k) Plan.

Aggregated Option Exercises in 2004 and Option Values at December 31, 2004

We did not grant any stock options to our named executive officers in 2004. In addition, our named executive officers did not exercise any stock options in 2004. The following table sets forth information related to the fiscal year end value of unexercised stock options held by Mr. Charlier. Neither Ms. Sullivan Yowell nor Ms. McAllister Cox owns any stock options.

| Name | Shares Acquired on Exercise (#) | Value Realized (\$) | Number of Securities Underlying Unexercised Options/SARs at Fiscal Year-End #(1) | | Value of Unexercised In-The Money Options/SARs at Fiscal Year-End \$(1)(2) | |
|--------------------|---------------------------------|---------------------|--|---------------|--|---------------|
| | | | Exercisable | Unexercisable | Exercisable | Unexercisable |
| Gérard P. Charlier | | | | 300,000 | | \$ 5,169,000 |

(1) These numbers represent options granted pursuant to the Incentive Plan. There are no stock appreciation rights.

(2) Based on a closing price of \$20.63 on December 31, 2004, less the option exercise price.

Equity Compensation Plan Information

The following table sets forth certain information as of December 31, 2004 about our equity compensation plans under which our equity securities are authorized for issuance.

| Plan Category | (a) | (b) | (c) |
|--|---|---|---|
| | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
| Equity compensation plans approved by security holders | 640,000 (1) | \$ 3.76 | 61,000 (2) |
| Equity compensation plans not approved by security holders | None | None | None |
| Total | 640,000 | \$ 3.76 | 61,000 |

(1) Reflects the weighted average outstanding stock options to purchase 413,500 shares of common stock under our 1994 Long-Term Incentive Plan, and stock options to purchase 75,500 shares of common stock under our 1994 Directors' Stock Option Plan, and for an aggregate of 489,000 shares. Also includes anti-dilution warrants, issued in connection with the Combination, to purchase up to 151,000 shares that become exercisable upon the exercise of the underlying stock options.

(2) Of these shares, 61,000 were available under our 1994 Directors' Stock Option Plan. Our 1994 Long-Term Incentive Plan expired on January 30, 2004, except as to the stock options outstanding on that date.

Employment Contracts and Change-in-Control Arrangements

Upon completion of the combination, we entered into an employment agreement with Gérard Charlier pursuant to which he serves as President and Chief Executive Officer of GPIC and each of its subsidiaries. The agreement provides for Mr. Charlier's employment for five years, subject to earlier termination under certain circumstances, as described below.

The agreement provides for Mr. Charlier to receive an annual salary of \$100,000 as President and Chief Executive Officer of GPIC and \$115,000 (approximately U.S. \$140,200 as of March 5, 2004) as President and Chief Executive Officer of GPI-SAS. Mr. Charlier, a French resident, receives a housing allowance not to exceed \$1,500 per month for housing in the Las Vegas area. He also receives tax preparation services, certain medical expense reimbursements, and use of a company automobile.

We have the right to terminate Mr. Charlier's employment with or without Cause or upon his death or Permanent Disability. Cause is defined as willful and repeated failure to perform his duties, willful misconduct materially injurious to the company, conviction of a felony or breach of the confidentiality, non-competition or non-solicitation provision discussed below. Permanent Disability is defined as failure to perform his duties for ninety consecutive days due to physical or mental illness.

If we terminate Mr. Charlier's employment for any reason other than death, Permanent Disability or Cause, we must continue to pay Mr. Charlier's salaries for the longer of (i) the remaining term of the agreement or (ii) two years, and to provide him with medical benefits for 12 months from termination.

Pursuant to the agreement, we granted stock options to Mr. Charlier, subject to the terms and conditions of the Long-Term Incentive Plan, as described above.

Mr. Charlier's employment agreement contains provisions relating to protection of our confidential information and non-competition and non-solicitation of employees (both during his employment and for a period following termination).

Mr. Charlier also entered into an agreement with Holding Wilson whereby Holding Wilson granted Mr. Charlier an option to sell Holding Wilson GPIC's shares of common stock he acquired in the Combination if, Mr. Charlier's employment with us is terminated voluntarily by Mr. Charlier, or by us other than for death, Permanent Disability or Cause. The per share sale price would be equal to the average closing price of our common stock for the 30 trading days preceding the date Mr. Charlier exercises his option to sell.

Pursuant to a letter provided to Melody Sullivan Yowell, our Chief Financial Officer, we have agreed to pay Ms. Sullivan Yowell a severance payment equal to six months of her salary if we terminate her employment without cause. Ms. Sullivan Yowell received an annual salary increase to \$170,000 for the 2005 fiscal year and, retroactive to January 1, 2004, an annual salary increase to \$160,000 for the 2004 fiscal year, which are reflected in the Summary Compensation Table above. Commencing on January 1, 2005, we have agreed to pay Ms. Sullivan an automatic allowance of \$500 per month.

Pursuant to a letter provided to Laura McAllister Cox, our Chief Legal and Gaming Compliance Officer, we have agreed to pay Ms. McAllister Cox a severance payment equal to six months of her salary if we terminate her employment without cause. Ms. McAllister Cox received an annual salary increase to \$185,000 for the 2005 fiscal year as reflected in the Summary Compensation Table above. Commencing on January 1, 2005, we have agreed to pay Ms. McAllister Cox an automobile allowance of \$500 per month.

Pension Plan

Through our GPI-SAS subsidiary, we maintain a noncontributing, defined benefit plan for our salaried and hourly-rate employees in France who meet certain age and service requirements. The plan provides for payment of benefits as required by French law in a lump sum, at the participant's election, upon retirement, based on years of participation. Mr. Charlier is a participant in the plan and will receive a plan benefit upon retirement. Ms. Sullivan Yowell and Ms. McAllister Cox are not eligible to participate in the defined benefit plan.

The following table illustrates the estimated total benefits payable pursuant to the highest formula under GPI-SAS's pension plan, which for 25 or more years of service is 7.5 months of a participant's compensation for the year before retirement. The table assumes normal retirement at age 65 and is calculated on a single life annuity basis, based upon final compensation and years of service:

GPI-SAS Pension Plan Table

| Final Compensation | Years of Service | | | | | |
|--------------------|------------------|-----------|-----------|-----------|-----------|-----------|
| | 15 | 20 | 25 | 30 | 35 | 40 |
| \$169,000 | \$ 35,100 | \$ 51,350 | \$ 67,600 | \$ 83,850 | \$ 97,100 | \$ 97,100 |

Of the compensation for Mr. Charlier shown in the Summary Compensation Table in the columns Salary and Bonus, only the compensation paid for his service to GPI-SAS would be considered for purposes of the GPI-SAS pension plan, or approximately \$143,758, \$129,378, and \$108,037, for the fiscal years 2004, 2003 and 2002, respectively. Mr. Charlier currently is considered to have ten credited years of service, and would have been entitled to a plan benefit of \$19,000 if he had retired at December 31, 2004.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and persons who own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and our other equity securities. Officers, directors, and stockholders holding more than ten percent of the class of stock are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 31, 2003, all reports required under Section 16(a) filing requirements were filed as required, with the exception of a report on Form 4, which was inadvertently filed late by (i) Mr. Endy with respect to the disposition of 5,400 shares on November 24, 2004 and (ii) Mr. Dennis with respect to the grant on November 14, 2004 of a stock option under the Director's Plan to purchase 3,000 shares of common stock.

THE FOLLOWING REPORT OF THE COMPENSATION COMMITTEE AND THE PERFORMANCE GRAPH THAT APPEARS AFTER THE REPORT SHALL NOT BE DEEMED TO BE SOLICITING MATERIAL OR TO BE FILED WITH THE SEC UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES EXCHANGE ACT OF 1934 OR INCORPORATED BY REFERENCE IN ANY DOCUMENT SO FILED.

**COMPENSATION COMMITTEE REPORT
ON EXECUTIVE COMPENSATION**

The Compensation Committee, composed entirely of directors who have never served as executive officers of GPIC, determine the compensation of GPIC's executive officers and administer GPIC's 1994 Long-Term Incentive Plan, or the Incentive Plan.

Although no compensation policy has been formalized, the Committee generally recommends that GPIC compensate its executive officers at a level that will attract and retain individuals who are responsible for the management, development and success of the company. The Committee believes that executive compensation should be designed to reward individuals for their services to GPIC and encourage them to stay with the company. The Committee's compensation decisions are submitted to the full board of directors for approval.

Although the Compensation Committee believes that GPIC's overall financial performance is an important factor in the total compensation of GPIC's executive officers, no specific quantitative factors are applied in making compensation recommendations. The Committee also recognizes qualitative factors such as successful supervision of GPIC's operations, established relationships with key customers and the development of corporate projects and new products.

The Compensation Committee also evaluates the total compensation of GPIC's executive officers in light of the compensation practices and relative corporate financial performance of other companies in the gaming industry. The Committee's goal is for GPIC to set base salaries for the Chief Executive Officer and other executive officers at appropriate levels which reflect the duties and scope of responsibilities of each officer's position.

The Chief Executive Officer and other executive officers have also been eligible to receive incentive compensation in the form of stock options under the Incentive Plan. However, the Compensation Committee determined not to grant any additional stock options under the Incentive Plan in 2003, and the Incentive Plan expired in January 2004, except as to the stock options outstanding on that date. Stock options are priced at the market value of GPIC common stock on the date of grant, and typically subject to a four-year vesting period with exercisability dependent on continued employment. None of the executive officers received a stock option grant in fiscal 2003 or 2004.

Mr. Charlier has been the Chief Executive Officer of GPIC since September 2002. Pursuant to the terms of his five-year employment agreement, in fiscal 2003, Mr. Charlier received an annual salary of \$100,000 as President and Chief Executive Officer of GPIC and \$115,000 (approximately U.S. \$140,200 as of March 5, 2004) as President and Chief Executive Officer of the former B&G. The Compensation Committee granted Mr. Charlier stock options in September 2002 to acquire a total of 300,000 shares of GPIC common stock, at a price of \$3.40 per share (the closing price of common stock on the date of grant), subject to the terms and conditions of the Incentive Plan. The stock option as to 200,000 shares will vest on the fifth anniversary of the date of grant and is exercisable for five years following the date of vesting. The stock option as to 100,000 shares will only vest if GPIC's annual net profit reaches \$2,000,000 before the fifth anniversary of the grant of the option. If the option vests, it will remain exercisable for five years.

March 22, 2005

COMPENSATION COMMITTEE

Paul S. Dennis
Jerry G. West
Alain Thieffry

PERFORMANCE GRAPH

The following graph reflects the cumulative stockholder return (change in stock price plus reinvested dividends) of a \$100 investment in our common stock for the five-year period from December 31, 1999 through December 31, 2004, in comparison with the Standard & Poor's 500 Composite Stock Index and our self-determined industry peer group index.(1) The comparisons are not intended to forecast or be indicative of possible future performance of our common stock.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
AMONG GAMING PARTNERS INTERNATIONAL CORP, THE S & P 500 INDEX
AND A PEER GROUP

* \$100 invested on 12/31/99 in stock or index-including reinvestment of dividends. Fiscal year ending December 31.

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www.researchdatagroup.com/S&P.htm

| | Investment Value as of December 31, | | | | | |
|------------|-------------------------------------|----------|----------|----------|-----------|-----------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
| GPIC | \$ 100.00 | \$ 13.89 | \$ 30.22 | \$ 94.22 | \$ 127.78 | \$ 458.89 |
| S & P 500 | 100.00 | 90.89 | 80.09 | 62.39 | 80.29 | 89.02 |
| Peer Group | 100.00 | 188.57 | 316.11 | 352.78 | 657.06 | 672.34 |

(1) The companies in the peer group include: Alliance Gaming Corp., Fortune Diversified Industries Inc. (formerly American Gaming & Entertainment), GTech Holdings Corp., Innovative Gaming Corp. America, International Game Technology, Progressive Gaming International Corp. (formerly Mikohn Gaming Corp.), Scientific Games Corp. (formerly Autotote Corp.) and ShuffleMaster Inc.

THE FOLLOWING REPORT OF THE AUDIT COMMITTEE SHALL NOT BE DEEMED TO BE SOLICITING MATERIAL OR TO BE FILED WITH THE SEC UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES EXCHANGE ACT OF 1934 OR INCORPORATED BY REFERENCE IN ANY SAID DOCUMENT SO FILED.

AUDIT COMMITTEE REPORT

The following is the report of the Audit Committee with respect to Gaming Partners International Corporation's audited financial statements for the fiscal year ended December 31, 2004.

The Audit Committee has reviewed and discussed GPIC's audited financial statements with management. The Audit Committee has discussed with Deloitte & Touche LLP, GPIC's independent accountants, the matters required to be discussed by Statement of Auditing Standards No. 61, Communication with Audit Committees, which includes, among other items, matters related to the conduct of the audit of GPIC's financial statements. The Audit Committee has also received written disclosures and the letter from Deloitte & Touche required by Independence Standards Board Standard No. 1, which relates to the auditor's independence from GPIC and its related entities, and has discussed with Deloitte & Touche their independence from GPIC.

The Audit Committee acts pursuant to the Audit Committee Charter. Each of the members of the Audit Committee qualifies as an independent director as defined in Rule 4200(a) (15) of the National Association of Securities Dealers' listing standards. No member of the Audit Committee meets the definition of an audit committee financial expert as set forth in Item 401(h)(2) of the SEC Regulation S-K.

Based on the review and discussions referred to above, the Audit Committee recommended to GPIC's Board of Directors that GPIC's audited financial statements be included in GPIC's Annual Report on Form 10-K for the fiscal year ended December 31, 2004.

March 31, 2005

AUDIT COMMITTEE

Paul S. Dennis

Jerry G. West

Benoit Aucouturier

INDEPENDENT AUDITORS

Deloitte & Touche LLP served as independent auditors for us for the fiscal years ended December 31, 2004, 2003 and 2002, and was selected by the Audit Committee as our independent auditors for the fiscal year ending December 31, 2005.

Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement, if they so desire, and are expected to respond to appropriate questions that may be directed to them.

Pre-Approval Policies and Procedures

The Audit Committee is responsible for reviewing and approving, in advance, all audit and non-audit services of the independent auditor. The Audit Committee approved the engagement of Deloitte & Touche LLP to audit the financial statements of us and our subsidiaries for the fiscal year 2004, and to provide certain non-audit services to us and our subsidiaries. None of the engagements pre-approved by the Audit Committee during 2004 made use of the de minimus exception to pre-approval contained in the applicable rules of the SEC.

Principal Auditor Fees and Services

The following table shows the fees for professional audit services provided by Deloitte & Touche LLP for the audit of our annual financial statements for the fiscal years December 31, 2004, 2003 and 2002 and fees billed for other services rendered during those periods. Certain amounts for 2002 have been reclassified to conform to the 2003 presentation.

| | December 31, 2004 | December 31, 2003 | December 31, 2002 |
|-----------------------|----------------------|----------------------|----------------------|
| Audit Fees(1) | \$ 235,000 | \$ 169,235 | \$ 251,300 |
| Audit-Related Fees(2) | 5,060 | 15,400 | |
| Tax Fees(3) | 163,363 | 138,102 | 47,900 |
| All Other Fees(4) | | | |
| Total | \$ 403,423 | \$ 322,737 | \$ 299,200 |

(1) *Audit Fees:* Fees for the professional services rendered for the audit of GPIC's annual financial statements, review of financial statements included in our 10-Q filings, and services normally provided in connection with statutory and regulatory filings or engagements. On September 12, 2002, our business was combined with the businesses of B&G and B&G's wholly-owned subsidiary, The Bud Jones Company, with B&G and Bud Jones becoming our wholly-owned subsidiaries. Deloitte & Touche LLP was the principal accountant for the audit of our annual financial statements (post-combination) for the fiscal years ended December 31, 2003 and 2002, although Mazars LLP rendered audit-related services resulting in fees totaling \$29,399 and \$370,244, respectively. Deloitte & Touche LLP was also the principal accountant for the audit of our annual financial statements (pre-combination) for the fiscal year ended May 31, 2002.

(2) *Audit-Related Fees:* Fees for assurance and related services that are reasonably related to the performance of the audit or review of GPIC's financial statements. For December 31, 2003 and 2004, this included fees related to the 401(k) plan and other regulatory document reviews and other related services.

(3) *Tax Fees:* Fees for professional services rendered with respect to tax compliance, tax advice and tax planning. This includes preparation of tax returns, claims for refunds, payment planning and tax law interpretation. Deloitte & Touche LLP provided tax strategy consulting in 2004 but did not in 2003.

(4) *All Other Fees:* Deloitte & Touche LLP did not provide any services in 2002, 2003 or 2004 that should be reported in this category.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transactions

GPI-SAS majority stockholder provided assistance for the acquisition of the former Bud Jones, Trend Plastics, Inc., and T-K Specialty Company, Inc. Fees charged to us by our majority stockholder for the years ended December 31, 2004, 2003 and 2002, respectively, were approximately \$0, \$0, and \$43,000, respectively.

Ron-Lyn Enterprises, a company co-owned by Ron Coiro, East Coast Sales Manager of GPI-USA, provided miscellaneous table game plastic accessories to GPI-SAS, including dealing shoes, money paddles and discard holders. As of December 31, 2004, the Company no longer purchases its products from Ron-Lyn Enterprises. For the fiscal years ended December 31, 2004, 2003 and the 111 days ended December 31, 2002, GPI-USA paid Mr. Coiro approximately \$186,000, \$113,300 and \$12,000, respectively.

We lease our main 34,000 square foot manufacturing facility located in San Luis, Rio Colorado, Mexico from an entity controlled by the family of Frank Moreno, General Manager of GPI-Mexico. The current lease was extended in April 2004, for an additional five years at the same monthly rent amount of approximately \$0.35 per square foot, or \$12,000. If we elect, at our discretion, to use more or less square footage, our rent will be increased or decreased accordingly. (See Part II-Item 8. Financial Statements and Supplementary Data-Notes to Consolidated Financial Statements-Note 14).

Neither Mr. Coiro nor Mr. Moreno is a director or executive officer. We require the Audit Committee of our board of directors review related party transactions involving our directors and executive officers.

Indemnification of Directors and Officers

We have provided for indemnification to the fullest extent permitted by the provisions of Nevada Law in our articles of incorporation and bylaws. In addition, we have contractually agreed to indemnify each present and former director as of the closing date of the combination with B&G against any claim arising out of or pertaining to any matter existing or occurring at or prior to the closing date of the combination, whether asserted or claimed prior to, at or after such closing date, to the fullest extent permitted under Nevada law and our articles of incorporation or bylaws then in effect. We also maintain a directors and officers liability insurance policy that, subject to the terms and conditions of the policy, insures our directors and officers against losses up to \$10.0 million in the aggregate (subject to an up to \$200,000 retention per loss) arising from any wrongful act (as defined by the policy) in his or her capacity as a director or officer. The policy reimburses us for amounts spent in lawful indemnification of a director or officer or amounts provided by us to indemnify its directors and officers as required or permitted by law. We have agreed to maintain for a period of six years after the combination a directors and officers liability insurance policy covering those persons who were covered as of the date of the combination with coverage at least as favorable as the then existing coverage, except that we will not be required to expend in excess of 200% of the then annual premium paid by us for such coverage.

STOCKHOLDER PROPOSALS FOR THE 2006 ANNUAL MEETING

We must receive proposals of stockholders intended to be presented at our next annual meeting prior to December 13, 2005, to be considered for inclusion in our proxy statement relating to that meeting. Our Nominating and Governance Committee will review any proposals from eligible stockholders that it receives by that date and will make a recommendation to the board of directors whether any such proposals will be included in our proxy solicitation material.

GENERAL

Our 2004 annual report on Form 10-K, containing audited financial statements but without exhibits, accompanies this proxy statement. The Form 10-K as filed with the SEC including exhibits is available on our website at www.gpigaming.com, and as soon as practicable after the Annual Meeting. Stockholders may also obtain a copy of the Form 10-K, without charge, upon written request to:

Gaming Partners International Corporation
Attn: Corporate Secretary
1700 South Industrial Road
Las Vegas, Nevada 89102
Fax: 702-598-2494

As of the date of this proxy statement, our board of directors knows of no business which will be presented for consideration at the meeting other than the matters stated in the accompanying Notice of Annual Meeting of Stockholders and described in this proxy statement. If, however, any matter incident to the conduct of the meeting or other business properly comes before the meeting, the persons acting under the proxies intend to vote with respect to those matters or other business in accordance with their best judgment, and the proxy includes discretionary authority to do so.

By Order of the Board of Directors

G rard P. Charlier
*President, Chief Executive Officer
and Secretary*

Las Vegas, Nevada
April 11, 2005

Please Detach and Mail in the Envelope Provided

GAMING PARTNERS INTERNATIONAL CORPORATION

PROXY FOR ANNUAL MEETING OF STOCKHOLDERS, MAY 10, 2005

SOLICITED BY THE BOARD OF DIRECTORS

The undersigned stockholder of Gaming Partners International Corporation (the Company) hereby acknowledges receipt of the Notice of Annual Meeting of Stockholders, Proxy Statement and Annual Report on Form 10-K in connection with the annual meeting of stockholders of the Company to be held at Gaming Partners International Corporation, 1700 South Industrial Road, Las Vegas, Nevada, on Tuesday, May 10, 2005 at 9:00 o'clock in the morning, Pacific Time, and hereby appoints Gérard P. Charlier and Melody Sullivan Yowell and each or any of them, proxies, with power of substitution, to attend and to vote all shares the undersigned would be entitled to vote if personally present at said annual meeting and at any adjournment thereof. The proxies are instructed to vote as specified on the reverse side hereof:

(Continued and to be signed on the reverse side)

**ANNUAL MEETING OF STOCKHOLDERS OF
GAMING PARTNERS INTERNATIONAL CORPORATION**

May 10, 2005

Please date, sign and mail
your proxy card in the
envelope provided as soon
as possible.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.

Please detach along perforated line and mail in the envelope provided.

ý PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE

1. ELECTION OF DIRECTORS

Nominees:

Elisabeth Carretté

Gérard P. Charlier

Benoit Aucouturier

Paul S. Dennis

Eric P. Endy

Alain Thieffry

Jerry G. West

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FOR ALL NOMINEES

WITHOUT AUTHORITY FOR ALL NOMINEES

FOR ALL EXCEPT (See instructions below)

INSTRUCTION: To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the box next to each nominee you wish to withhold, as shown here:

2. IN THEIR DISCRETION, UPON SUCH OTHER MATTER AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING.

FOR

AGAINST

ABSTAIN

The shares represented by this proxy will be voted as specified. If no specification is made, the shares represented by this proxy will be voted in favor of the nominee listed, and in the discretion of the proxies, on other matters that may properly come before the annual meeting.

Signature of Stockholder

Signature of Stockholder

Date: _____, 2005

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. o
